

**Listing of Claims**

1. (Currently Amended) A method for producing eucalyptus paper pulp for use in the making of paper ~~from eucalyptus wood chips, wherein the paper produced by the eucalyptus pulp made by the method has a higher strength, as measured by burst index and tear index, than paper produced from eucalyptus pulp not treated with *Phanerochaete chrysosporium*, the method~~ comprising in the steps of:
  - a) inoculating the eucalyptus wood chips with white rot fungus which is *Phanerochaete chrysosporium*;
  - b) fermenting the wood chips so as to cause a propagation of the fungus through the wood chips and allow the fungus to modify lignin; and
  - c) pulping of the degraded wood chips by a known kraft process.
2. (Original) A method as claimed in claim 1 together with the further step of bleaching the kraft pulp by a known multistage bleaching process.
3. Cancelled
4. (Original) A method as claimed in claim 1 wherein the fermentation step is a static fermentation step.
- 5-11. (Original) Cancelled
12. (Original) A method as claimed in claim 1 wherein the wood chips are inoculated with the fungus and without nutrients.
13. (Original) A method as claimed in claim 1 wherein the wood chips are inoculated with the fungus and known nutrients.
14. (Original) A method as claimed in claim 1 wherein the moisture content of the chips prior to the step of inoculation is kept at fiber saturation point or greater.

15. (Original) A method as claimed in claim 1 wherein said moisture content is 50-55% of the total wood based on a wet weight of the chips.

16. (Original) A method as claimed in claim 1 wherein the wood chips are inoculated with 1 to 5 gms inoculum/ton of wood.

17. (Original) A method as claimed in claim 1 wherein the moisture content in the wood during the step of fermentation is 55-65%.

18.-19. Cancelled.